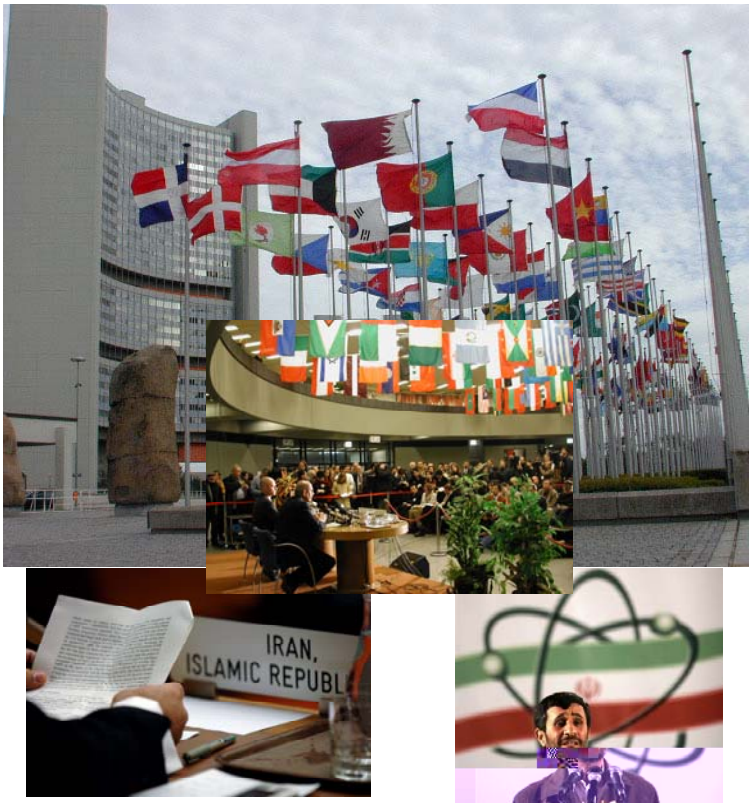
DVC with Ambassador Greg Schulte on Nuclear Issues



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Introduction

The Information Resource Center (IRC) of the Embassy of the United States in Madrid has prepared this information packet for the Digital Video Conference with Greg L. Schulte, Permanent Representative of the U.S. to the United Nations, the International Atomic Energy Agency, and other international organizations in Vienna, by the American Embassy in Madrid, on November 17, 2008.

If you need further information, do not hesitate in contacting the Information Resource Center madridIRC@state.gov

1. Greg Schulte Permanent Representative of the U.S. to the United Nations, the International Atomic Energy Agency, and other international organizations in Vienna

Source: U.S. State Department , http://www.state.gov/r/pa/ei/biog/51106.htm

Ambassador Schulte serves as the Permanent Representative of the United States to the United Nations Office in Vienna, the International Atomic Energy Agency, and other international organizations in Vienna. Having arrived on July 13, 2005, Ambassador Schulte is charged with advancing the President's agenda in countering proliferation, terrorism, organized crime, and corruption, while promoting the peaceful use of nuclear energy.

Appointed by President Bush in January 2003, Mr. Schulte served as Executive Secretary of the National Security Council through March 2005. He was responsible to Dr. Condoleezza Rice for overseeing the NSC staff, the national security decision-making process, and the White House Situation Room. He traveled extensively with President Bush as the NSC representative on domestic trips and at the President's Texas ranch.

Mr. Schulte served as Senior Director for Southeast European Affairs on the NSC staff from 2000 to 2002, overseeing U.S. diplomacy and military deployments in Bosnia and Kosovo and collaboration with the United Nations and European Union. He helped guide and coordinate interagency efforts to bring democracy to Serbia and prevent civil war in Macedonia.

From 1999 to 2000, Mr. Schulte served as Principal Director for Requirements, Plans and Counterproliferation Policy in the Office of the Secretary of Defense at the Pentagon. His duties included review of U.S. war plans and policy oversight of efforts to protect U.S. and allied forces in the face of nuclear, biological, and chemical threats.

As Special Assistant to the President for Implementation of the Dayton Peace Accords on the NSC staff from 1998 to 1999, Mr. Schulte coordinated U.S. diplomacy and support for the NATO air campaign that stopped ethnic cleansing in Kosovo. He co-chaired the NSC Executive Committee that planned for the subsequent UN and NATO missions in Kosovo.

From 1992 to 1998, Mr. Schulte was assigned to the NATO International Staff in Belgium. As Director of the Bosnia Task Force, he helped prepare NATO's first "out of area" operations and manage its relations with the United Nations, Russia, and other Partner countries. He worked with NATO political and military authorities to develop guidance for air strikes in Bosnia, deployment of IFOR, and transition to SFOR. He simultaneously served as Director for Nuclear Planning, assisting in the restructuring of NATO's nuclear weapons posture after the Cold War.

Mr. Schulte worked for the Secretary of Defense from 1985 to 1992 as Director for Strategic Forces Policy and Assistant for Theater Nuclear Forces Policy. He contributed to two nuclear weapons treaties, two Presidential Nuclear Initiatives, a Strategic Targeting Review, a Failsafe and Risk Reduction Review, and NATO's Nuclear Planning Group.

Mr. Schulte was promoted to the Senior Executive Service in 1992, and has received two Presidential Rank Awards. He began public service in 1983 as a Presidential Management Intern in the Office of the Secretary of Defense. He graduated magna cum laude from the University of California at Berkeley in 1980 and earned a master's degree in public administration from Princeton University's Woodrow Wilson School in 1983.

2. The International Atomic Energy Agency (IAEA)

Source: U. S. Mission to International Organizations, Vienna:
http://vienna.usmission.gov/iaea.html

One of the key specialized agencies in the UN constellation is the **International Atomic Energy Agency (IAEA).** The Agency's work is centered on three main functions:

1. Implementing the Nuclear Non-Proliferation Treaty (NPT) to prevent the spread of nuclear weapons,
2. Using peaceful nuclear technology to promote economic development and human welfare; and
3. Ensuring the safe use of nuclear energy.

UNVIE staffers work closely with the IAEA to promote all three purposes.
Preventing Nuclear Proliferation. One of the landmarks of modern diplomacy, the NPT now embodies a pledge by more than 180 countries to refrain from any effort toward building a nuclear weapon. A primary IAEA task is to monitor adherence to that pledge by applying safeguards at nuclear facilities around the world.

Combating Terrorism. The Mission is dedicated to strengthening international determination, cooperation and tools to prevent nuclear and other forms of terrorism against American citizens and national security interests. A primary mechanism for accomplishing this in the nuclear arena is the IAEA.

Supporting Economic Development. Modern nuclear technology encompasses a dazzling array of capabilities to enhance basic human needs in such areas as agricultural production, the elimination of disease-carrying insects, environmental protection, improved nutrition, and health care. The IAEA acts as the main conduit for transferring such technologies to the many countries in need of them.

Advancing Nuclear Safety. For many countries, nuclear power reactors represent a sound means of achieving energy independence while limiting pollution and greenhouse gas emissions. For the protection of all, the IAEA performs the twin roles of setting high standards for the safe operation of nuclear plants and of helping countries meet those standards.

THE U.S. SUPPORT PROGRAM TO IAEA SAFEGUARDS (USSP)

The U.S. Support Program to IAEA Safeguards provides extra budgetary assistance for research and development projects to resolve technical safeguards questions. The USSP thereby assists the IAEA in its mission to verify that nuclear material placed under IAEA safeguards is not diverted for non-peaceful purposes. The International Safeguards Project Office (ISPO) is responsible for the day-to-day technical and administrative management of the U.S. Support Program to IAEA Safeguards (USSP).

3. *Iran's Nuclear Program: What Threat Does It Pose? by Greg Schulte*

Source: U. S. Mission to International Organizations, Vienna:
http://vienna.usmission.gov/08-09-09oslo.html

Nobel Institute
Oslo, Norway

September 9, 2008

Among other items on our agenda, we will consider the **nuclear activities of Iran and Syria.**

Iran and Syria are two IAEA members who have violated their IAEA obligations.
They are two dangerous regimes on dangerous pursuits.

• Both are state sponsors of terrorism.

• Both are opponents of regional peace and stability.

• Both have pursued nuclear capabilities that make no civil sense but that can produce fissile material for nuclear weapons.

• Both had outside assistance, Syria from a known nuclear violator, Iran from an international smuggling network for nuclear weapons technology.

• Both pursued these capabilities covertly and illicitly, successfully hiding them from IAEA inspectors until exposed by others.

• Both remain actively engaged in covering up the full extent of their activities.

This dangerous situation poses serious risks to the security of Norway and the United States, Europe and NATO.

• Iran's nuclear pursuits remain the most threatening.

• But Syria's clandestine activities show how a determined regime can flout the IAEA.

• Each underscores the risks of nuclear proliferation in one of the world's most dangerous regions.

Syria's Covert Nuclear Activities

Syria's covert nuclear activities were exposed last April when we briefed your government and others on the construction of a nuclear reactor in the eastern desert of Syria.

This was not a typical reactor that a country might build for medical research or power production.

Instead, our intelligence experts are confident that the Syrian reactor was built with the assistance of North Korea and was of the same type that North Korea built at Yongbyon to produce plutonium for its nuclear weapons.

We have good reason to believe that Syria's reactor, like North Korea's, was not intended for peaceful purposes.

• First, we assess the Syrian reactor was configured to produce plutonium.

It had no capability to generate electricity and was ill-suited for peaceful research.

• Second, Syria went to great pains to keep the facility secret.

- It located the reactor in the remote desert.
- It built earthen berms and fake walls to hide it from observation.
- It hid the pipelines bringing cooling water to and from the Euphrates.
- It did not declare the reactor to the IAEA as required by Code 3.1 of its safeguard agreement.

• Third, Syria went to great lengths to cover up its activities after a military strike destroyed the reactor one year ago.

While putting off IAEA requests to visit the site, Syrian engineers hauled away incriminating equipment, buried what remained of the reactor, and built a large structure over the top. Under mounting pressure at our Board meeting in June, Syria eventually allowed IAEA inspectors to visit the reactor site. But the IAEA inspectors also did what IAEA inspectors do well:

- They gathered information from multiple sources, they asked for additional access, and they probing questions.
- Syria allowed one visit but has yet to provide the full access and information that the inspectors have requested.

Whether in the Board room in June, or with IAEA inspectors since, Syria is using stalling tactics striking similar to those of Iran. Instead of looking to Iran, Syria should follow the example of Libya.
Now that it has been caught, Syria should admit its illicit nuclear activities and give IAEA inspectors the necessary information and access to assure the world they have stopped.It is time for disclosure, not continuing deception.

The Proliferation Threat Posed by Iran

Iran's leaders also pursued covert nuclear activities which they, like Syria, must still fully disclose.

There are three aspects to a nuclear weapons program:

• *Weaponization* -- meaning the design of the actual weapon and its fitting to a delivery system;

• *Production of the necessary fissile materia*l -- highly enriched uranium or weapons-usable plutonium;

• *Deployment of an effective means of delivery*.

Iran has made significant progress on all three.

The U.S. Intelligence Community judges, with high confidence, that Iran was working until late 2003 on design and weaponization of a nuclear device. This was no hobby shop activity or academic pursuit.

This was a concerted, covert program, conducted by military entities, under the direction of Iran’s senior leaders.

Our Intelligence Community assesses that Iran’s leaders quietly halted this work in 2003 after the exposure of other nuclear activities. This is good news.

But the bad news is that the work on weaponization was "put on the shelf" and could easily be resumed.Just as the IAEA did not detect these activities before they were halted, there is no assurance that the IAEA could detect their resumption. In the meantime, Iran is pursuing capabilities to enrich uranium and produce plutonium in violation of multiple resolutions of the UN Security Council.

- Furthest developed is Iran's capability to enrich uranium with centrifuge technology.
- Iran's efforts are based on material and knowhow smuggled to Iran by the A. Q. Khan network.
- The Khan network was not a purveyor of civil nuclear technology.
- Countries like North Korea and Libya turned to Khan when they wanted a bomb.
- Today Iran boasts its is operating 4,000 to 6,000 centrifuges in underground bunkers at Natanz.
- As it masters this technology, Iran could "break out" of its treaty obligations and reconfigure the centrifuges at Natanz to produce highly enriched uranium for nuclear weapons.
- Alternatively, and more worrisome, Iran could install similar centrifuges at a covert facility using the activities at Natanz to provide helpful "cover".
- Indeed, Iran announced earlier this year that it would not give the IAEA early notice of new nuclear facilities, despite an obligation to do so under Code 3.1 of its safeguards agreement.
- Ironically, this is the same Code 3.1 that Syria violated in building its reactor without informing the IAEA. Iran claims that it is developing an enrichment capability in order to produce nuclear fuel for power reactors. But there is a major problem with this story: Iran has no functioning power reactors.
- The one reactor under construction, at Bushehr, has received the necessary fuel from Russia as part of a ten-year contract that can be extended for the lifetime of the reactor.
- Iran also claims that uranium enrichment is part of its quest for energy self-sufficiency.

But this story is also problematic:

- Iran does not have sufficient uranium deposits to produce fuel for even a small number of reactors.
- It does, however, have enough for a sizeable stockpile of nuclear weapons.
- Assuming Iran proceeds to build a nuclear weapon, effective delivery won't be a problem.
- Iran already has the Shahab-3 missile with a range of 1300 kilometers that could strike Israel and most of the Middle East.
- Iran also claims to be developing missiles of longer range that could reach deeper into Europe, Russia, and China.
- A nuclear-armed Iran would pose a grave threat in the Middle East and beyond.
- Iran remains the world's most significant state sponsor of terrorism.
- Iran's leaders oppose Middle East peace.

- Iran's leaders harbor ambitions of regional hegemony.

- Armed with nuclear weapons, Iran's leaders could become even more dangerous.

Even if deterred from actually using nuclear weapons, merely possessing them could embolden Iran's leaders to make more aggressive use of terrorism and insurrection.

Moreover, Iran's continued pursuit of nuclear weapon capabilities increases the danger that other countries in the Middle East will seek similar capabilities or that nuclear weapons will end up in the hands of terrorists.

The Middle East is dangerous enough without a nuclear arms race or nuclear terrorism.

The IAEA's Investigation of Weaponization

The IAEA Board will meet in two weeks and consider yet another report on Iran by Director General Mohammed ElBaradei.

We will focus in particular on whether Iran has cooperated with the IAEA in its ongoing investigation into weaponization. IAEA inspector first raised concerns about weaponization in 2005.

Before our meetings in March and June, Dr. ElBaradei and his chief inspector fully briefed the Board on their concerns.

They presented in great detail a troubling mosaic of studies, engineering work, and procurement related to the design and weaponization of a nuclear device.

These included:

• A document on casting and machining uranium metal into hemispheres,

• A document on experimentation with a multipoint initiation system to detonate high explosives in a hemispherical geometry;

• Schematics on modifying the Shahab-3 missile in a way the IAEA judges is "quite likely to be able to accommodate a nuclear device;"

• Other documentation and procurement information developed over multiple years and from multiple sources including the IAEA's own investigations and some ten member states.

The Director General reported that these and other activities are "relevant to nuclear weapon research and development" and a "matter of serious concern"

At our Board meeting in June, the Director General told us Iran had failed to provide substantive responses to the IAEA's questions.

We will closely read the Director General's upcoming report to look for any progress.

We await to see whether Iran provides the substantive responses asked by the Director General or whether it continues to stonewall.

The Board's expectations has not changed:

Iran must fully disclose its past work on weaponization and allow IAEA inspectors to verify it is stopped.

Our Dual-Track Strategy Toward Peaceful Resolution

The technical verification role of the IAEA is part of a broader dual-track strategy aimed at allowing Iran civil nuclear energy while giving the world concrete assurances of peaceful intent.

This dual-track strategy has been developed by the P5+1 -- France, Germany, the UK, the US, Russia, and China.

It has been endorsed by the UN Security Council, the European Union, and countries across the world.

The first track of the strategy is a negotiating track.

In June, the Foreign Ministers of the six countries transmitted a renewed offer to Iran.

This offer was carefully designed to address Iran's stated interests and concerns and contains significant political, economic, and technological benefits.

It would help Iran attain what its leaders claim they seek from Iran's nuclear program:

• economic benefit;

• advanced technology; and

• a new source of electricity with a guaranteed supply of fuel.

It would also open the door to address a broader range regional and global concerns that Iran has asked to include in negotiations.

Secretary Rice reiterated her willingness to join the negotiations on the offer personally if only Iran's leaders take one simple step: suspend the uranium enrichment activities that give the world such concern but are not necessary for Iran's civil nuclear program.

America's readiness to negotiate was clearly demonstrated by Secretary Rice's signature on the letter conveying the P5+1 proposal in June and by the presence of Under Secretary Burns in Geneva to receive Iran's response.

The second track of the dual-track strategy involves diplomatic pressure and targeted sanctions to convince Iran’s leaders to choose serious negotiation over continued defiance.

The UN Security Council reinforced this track in March by adopting Resolution 1803 with a third set of binding sanctions on Iran.

The Security Council is prepared to suspend these sanctions as soon as Iran suspends its uranium enrichment activities.

The goal of the sanctions is not to penalize the Iranian people.

The goal is to change the strategic calculus of their leaders.

We will only succeed in convincing them to choose negotiation over defiance by sustaining our strategy, fully implementing Security Council resolutions, and sending a collective message, in words and deeds, that is clear and consistent.

4. *Nuclear Power: Benefits and Responsibilities* **by Ambassador Jackie Wolcott, U.S. Special Envoy for Nuclear Nonproliferation**

Source: Department of State: http://www.state.gov/t/isn/rls/rm/111757.htm

Nuclear Power: Benefits and Responsibilities
Amb. Jackie Wolcott, U.S. Special Envoy for Nuclear Nonproliferation
Special Address at the MENA Nuclear Energy Forum

Doha, Qatar

November 10, 2008

In my capacity as Special Envoy for Nuclear Nonproliferation, I've had the privilege of traveling the world and discussing civil nuclear cooperation with many countries considering the development of nuclear power. This is my 3rd trip to the Middle East in 9 months, including a warm reception in Doha this past June. Next week, I will be travelling to North Africa for consultations there.

During these visits, I have the opportunity to discuss the great benefits nuclear power has to offer, for countries that have indicated a commitment to its pursuit along a responsible path. Today, I'm particularly pleased to address so many decision makers in a key region which has so much promise for significant nuclear energy development.

Around the world, nuclear energy is enjoying a potential reemergence. Concerns over electricity demand, energy security, and climate change have given rise to renewed global interest in nuclear power. Most experts now agree that this will be a vital component to helping us meet our growing energy demands over the next few decades.

As a result, numerous countries have expressed serious interest in new nuclear power plants. Although the majority of these will be sited in countries with existing programs, an ever-growing number of states have announced plans to develop their first nuclear plant.

Interest is clearly percolating in all corners of the globe, and particularly in the Middle East and North Africa – the MENA region.

Causes for Concern

This is not the first time we've witnessed great expectations for nuclear power. In 1947, the American journal Business Week predicted that "all central power will be drawn from atomic sources" within a few decades.

In 1954, the New York Times quoted a U.S. official predict that Americans would one day "enjoy electrical energy in their homes too cheap to meter" thanks to nuclear energy.
While this initial enthusiasm would eventually prove overly optimistic, nuclear energy did enjoy a period of rapid early growth, and by the mid-1970's there were 55 nuclear plants operating in the United States alone.

Safety

The growth of nuclear power in my country suffered a more serious setback in 1979 with the world's first major nuclear accident at Three Mile Island. Seven years later, nuclear power suffered another blow with the accident at Chernobyl, a combined result of design flaw and human error.

I mention these incidents because many lessons have been learned from them. Although today's new reactor designs are much safer than yesterday's, the possibility of accidents still exists. And as we say with all seriousness, an accident anywhere is an accident everywhere.

As nuclear power gears up to expand, all eyes will be on the ability to safely operate these new plants, particularly those in states with new nuclear power programs.

Security

On September 11, 2001, the United States suffered the worst terrorist attack in its history. Although the phenomenon of global terrorism was not new, these attacks unmistakably raised the stakes of the threat we now face.

Many steps have since been taken to heighten security at nuclear plants and to prevent the illicit trafficking of materials which could be used for a radiological dispersion device – a dirty bomb – or worse, a nuclear weapon.

In the face of "nuclear terrorism," the importance of nuclear security, especially in states now just turning to nuclear power, has never been so great.

Nonproliferation

The proliferation risks associated with the nuclear fuel cycle must be managed. Everyone in this forum is well aware that – in addition to producing reactor-grade fuel – a uranium enrichment plant can be used to produce weapons-usable material. A relatively simple reconfiguration of an enrichment cascade could enable the production of highly enriched uranium.

Because of this risk, these facilities must be operated in an open and transparent manner, and full-scope international safeguards must be applied to ensure their peaceful applications.

Unfortunately, this is not always the case. As we all know, Iran developed in secret a substantial nuclear infrastructure – including a uranium enrichment program that it continues to operate in violation of United Nations Security Council obligations. This is not only unacceptable; it also risks undermining the sincere intentions by neighboring states to enlist the atom for peaceful uses.
Iran has claimed that its nuclear program is in complete conformity with its nuclear obligations, and has asserted that concerns expressed with its nuclear activities are politically motivated and imagined. This is simply not the case.

As the latest report by IAEA Director General Mohamed ElBaradei describes, Iran has failed to take the steps necessary to "build confidence in the exclusively peaceful nature of its nuclear program." Instead, serious concerns and outstanding questions remain regarding this program, particularly aspects of Iran's past activities that suggest a "military nuclear dimension" to this nuclear program.

The net result is that the IAEA is unable to "provide credible assurance about the absence of undeclared nuclear material and activities in Iran." It was because of concerns such as these – and Iran's longstanding noncompliance with its IAEA Safeguards Agreement, and thereby the NPT – that Iran's nuclear program was reported to the UN Security Council in 2006.

And so, by contrast, Iran's current policies represent the opposite approach and a fundamentally different model from how we would want countries in this region and globally to develop nuclear energy.

The intrinsic dual-use nature of certain nuclear fuel cycle technologies underscores the importance of strict transparency with the international community. As more and more States make the commitment to develop nuclear power, particular care must be taken to ensure that these programs are not diverted towards malicious ends.

A Serious Commitment

The United States strongly supports the development of safeguarded, well-regulated nuclear power around the world. Because of its inherent risks, however, we must all work hard to ensure that nuclear power is deployed in the most responsible manner possible. At a minimum, this will mean a clear commitment to the highest possible standards of nuclear safety, security, and nonproliferation.

This is a not a unique opinion. For the past 3 years, the IAEA has affirmed this view in General Conference resolutions. In addition, the past G-8 summit clearly endorsed the importance of nuclear safety, security, and safeguards – the "3Ss".

In order to instill confidence in developing nuclear power programs, the United States strongly encourages States to make tangible and transparent commitments to the highest standards, such as through adherence to a broad range of treaties and conventions. For example:

As Parties to the Nuclear Nonproliferation Treaty, States conclude IAEA safeguards agreements on source and special fissionable material in all peaceful nuclear activities within their borders. This is a vitally important step that some countries still need to take.

The implementation of an Additional Protocol allows the IAEA to draw conclusions about the absence of undeclared nuclear material and activities in the state as a whole. Almost all States party to the NPT with nuclear power programs have Additional Protocols in force.

The Convention on Nuclear Safety codifies a State's commitment to the highest regulatory standards and clearly establishes the sovereign responsibility of the State for the safety of its nuclear power plants.

The Convention on Supplementary Compensation for Nuclear Damage – or CSC – will establish a universal liability regime of protection for both the public and industry. The United States deposited its instrument of ratification for the CSC to the IAEA this past May, and we are calling on all existing and emerging nuclear power states to do the same.

Adherence to these instruments yields several important benefits. First, it helps a State develop the infrastructure needed to deploy civilian nuclear power safely and securely.

Second, it provides a clear signal to the international community that a State is prepared to handle this complex technology.

What's more, it raises a State's profile among the many that will be competing for nuclear suppliers. As we'll learn over the next two days, the global supply chain may soon struggle to keep up with the expansion of global demand. The more a State demonstrates a commitment to the responsible pursuit of nuclear power, the more likely it will attract investors to its nuclear program.

The Case for Cooperation

All nuclear power programs in the world developed through cooperation with others. Developing such a program is a daunting task, and there is much to be gained from the lessons learned and resources accumulated by states already further down the road.
An important avenue of cooperation is bilateral engagement. By working one-on-one, advanced states can provide flexible, dynamic, and expeditious guidance to their partners.
Our commitment to cooperation with countries in the Middle East and North Africa is reflected in our ongoing efforts to stand up cooperation relationships throughout the region.
In the past year alone the United States has signed nuclear cooperation Memoranda of Understanding with Jordan, Bahrain, the United Arab Emirates, and Saudi Arabia. These MOUs signal our shared political commitments to pursue cooperation consistent with the highest standards.

Allegations by some of discrimination and bias are belied by such commitments, and instead demonstrate a desire to cloud the issue by those who have been found in noncompliance.
The more well-known cooperation agreement the United States can conclude is the so-called "123 Agreement," which is required for significant nuclear exports. We now have 123 Agreements in force covering 48 countries, including Egypt and Morocco.

In addition to bilateral engagement, we also encourage emerging nuclear energy states to take advantage of multilateral mechanisms. Certainly, the IAEA is an important resource – through its Technical Cooperation program and its "Milestones" process.

Another very useful forum is the Global Nuclear Energy Partnership, or GNEP. Today, 25 states – including Jordan, Morocco, and Oman – have joined as partners in this initiative. GNEP offers a single forum, spanning the full spectrum of nuclear energy experience, to explore mutually beneficial approaches to the expansion of nuclear energy.

Another promising avenue for multilateral cooperation is the development of new ways to ensure reliable access to nuclear fuel. About a dozen "fuel assurances" proposals are now under consideration at the IAEA.

These concepts are not mutually exclusive, and a range of approaches could enhance confidence, allow flexibility, and provide complementary options for countries considering nuclear energy. Diversity of supply offers the strongest assurance.

Some member states have expressed concern that a mechanism for reliable access to nuclear fuel, operating under IAEA auspices, could limit their sovereign right to independently pursue nuclear energy options.

However, to benefit from such a mechanism, no state must give up any of its rights. The purpose of this initiative is to expand, not restrict, access to the peaceful use of nuclear energy.
The mechanisms under consideration are intended to alleviate concerns about access to nuclear fuel from the international market. As such, they create an incentive for states to choose – voluntarily – the international market for nuclear fuel rather than develop enrichment and reprocessing capacity.

Great effort is now being made in Vienna to develop a fuel assurance mechanism that is acceptable to all. We strongly urge all States to play a constructive role in this endeavor.

Conclusion

The demand for clean and reliable sources of electricity has never been so great. The United States believes that nuclear power will be an important component in meeting the energy challenges of tomorrow.

We must be clear from the start that the use of nuclear technology is complex, and carries with it a number of unique risks. The importance of a careful and measured approach to nuclear power cannot be overstated.
A clear and transparent dedication to the highest possible standards will demonstrate a firm commitment to the responsible pursuit of this unique technology.

There is much to gain through civil nuclear cooperation. The United States is actively sharing its experience to help many others build the necessary capacity to deploy nuclear energy. We look

5. *U.N. Wants Answers from Iran on Controversial Nuclear Program*

Source: International Atomic Energy Agency (IAEA):
http://www.iaea.org/NewsCenter/Statements/2008/ebsp2008n010.html#iran

Statement to the Sixty-Third Regular Session of the United Nations General Assembly by IAEA Director General Dr. Mohamed ElBaradei
October 28, 2008

We meet at a time of heightened anxiety and insecurity in the world. The global financial crisis is hitting rich and poor countries alike, but the poorest of the poor - the so-called "bottom billion" - are particularly vulnerable.

Concern about the proliferation of nuclear weapons and the possibility of extremist groups getting hold of nuclear or radioactive material has not diminished in the 12 months since I last spoke to the General Assembly.

International Atomic Energy Agency Director-General Mohammed ElBaradei in Vienna, Austria,

The work of the IAEA is at the nexus of development and security. In this context, I will give you an update on the work of the Agency in the last year and highlight some of the challenges which need to be addressed.

Technical Cooperation

The Agency´s work in technical cooperation is sometimes seen - wrongly - as an adjunct to our "real" work in nuclear safety, security and non-proliferation. This is unfortunate. Technical cooperation should not be seen as part of a "political balance" between the development and other activities of the Agency. Our role as a development agency is as important as anything else we do. To this end, we have established effective partnerships with agencies such as the WHO and FAO. Thanks to these partnerships, many thousands of people receive radiation therapy for cancer, grow higher-yielding food crops and have access to clean drinking water.

In the past year, the surge in global food prices has pushed millions of people deeper into poverty and hunger. This clearly increases the importance of the work done by the IAEA to boost food supplies and combat pests and animal diseases. In some areas, the IAEA´s role is unique. For example, the best technology to map water resources cannot be deployed without the IAEA because it involves nuclear techniques.

A recent World Bank report showed that some 1.4 billion people in the developing world live on less than $1.25 per day. The number of poor people in Sub-Saharan Africa has nearly doubled since 1981 to around 380 million. The international community has a responsibility to ensure that these people and others like them are not cut off from technologies that will accelerate economic development and help to ensure that their basic needs are met.

Nuclear Power

Energy is the engine of development. Nearly every aspect of development requires reliable access to modern energy services. The global energy imbalance remains dramatic. The developed countries that make up the Organization for Economic Cooperation and Development (OECD), on average, consume electricity at a rate per capita of 8600 kilowatt-hours per year - roughly 170 times more than is consumed in Africa. It is understandable that many developing countries should see nuclear power as a key source of the energy they need to lift their people out of poverty.

Nuclear power is undergoing something of a renaissance. This is a remarkable development. If we look back just 10 years, nuclear power had stopped growing in the developed countries and its future globally looked uncertain as fears about safety were predominant. Now, it is seen as offering part of the solution to surging global demand for energy, uncertainty about energy supply and concern about climate change. In the last two years, some 50 Member States have expressed interest in considering the possible introduction of nuclear power and asked for Agency support. Twelve of these countries are actively preparing to introduce nuclear power. Increased demand for assistance has been particularly strong from developing countries.

There are now 439 nuclear power reactors operating in 30 countries and the number of new plants under construction stands at 36. The IAEA advises countries considering the introduction of nuclear power, helping them to identify their options and the best energy mix for them. To ensure that newcomers use nuclear energy efficiently, safely, securely and with minimal proliferation risk, we impress upon them the need to plan properly, to build the human resources and infrastructure, to establish independent and effective regulators and to adhere to international safety, security and non-proliferation instruments. We offer advice in drafting national nuclear legislation and we train regulators and operators.

Above all, we stress that the primary responsibility to ensure safety and security lies with the countries concerned. However, we also make the companies - and countries - which supply the equipment and expertise aware of their responsibility. This is because failures of either safety or security can have consequences stretching well beyond national borders, as the Chernobyl accident demonstrated. Both recipients and suppliers of nuclear technology owe a duty of care to the world at large. Overall, safety is much better than it was 10 years ago, but vulnerabilities remain. We can never be complacent about safety. A single nuclear accident anywhere in the world could undermine the future of nuclear energy everywhere. So it is in all our interests to ensure that the highest safety standards are upheld everywhere.

Balancing potential risks

One implication of a nuclear renaissance is the spread of nuclear material to many more countries. This naturally increases the risk that nuclear material could be diverted to make nuclear weapons. It is worth noting that countries that master uranium enrichment and plutonium separation become de facto nuclear weapons capable states. This means they have the ability to develop nuclear weapons in a very short time if they walked out of the Non-Proliferation Treaty, or managed to do so in a clandestine manner. This is clearly too narrow a margin of security. These countries may genuinely have no intention today of ever making nuclear weapons, but that can change in a short time if their perception of the risks to their national security changes. And security perceptions, as we know, can change very rapidly.

That is why we need to think seriously about some form of multinational control over the fuel cycle. This should provide assurance that every country that wants nuclear energy - and is in compliance with its safeguards obligations - has guaranteed access to a supply of nuclear fuel that will not be interrupted for political reasons. I first made this proposal five years ago. Several ideas have been put forward since then on developing a new, multilateral framework for the nuclear fuel cycle. This could be done in different ways. But I believe any such framework must be global and non-discriminatory.

The ideal scenario, in my opinion, would be to start with a nuclear fuel bank under IAEA auspices. Then we should agree that all new enrichment and reprocessing activities should be placed exclusively under multilateral control. Ultimately, all existing facilities should also be converted from national to multilateral control. This is a bold agenda and it is clearly not going to happen overnight. But bold measures, including controlling the spread of sensitive nuclear technology, are vital if we are ever going to halt the proliferation of nuclear weapons and succeed in eliminating them altogether. However, make no mistake - any mechanism that smacks of inequality or dependency will never get off the ground.

Nuclear Security

The possibility of terrorists obtaining nuclear or other radioactive material remains a grave threat. The number of incidents reported to the Agency involving the theft or loss of nuclear or radioactive material is disturbingly high - nearly 250 in the year to June 2008 alone. Equally troubling is the fact that much of this material is not subsequently recovered. Sometimes material is found which had not been reported missing.

The Agency helps countries improve their border controls, strengthen physical protection of nuclear material and radioactive sources and enhance nuclear security at major public events, such as the Beijing Olympic Games this summer.

Nuclear Verification

Effective nuclear verification requires four essential elements: adequate legal authority, state-of-the-art technology, timely access to all relevant information, and sufficient human and financial resources. Despite some progress, we still have shortcomings in all four areas. To take legal authority: it is more than ten years since the Model Additional Protocol was approved by the IAEA Board of Governors. Of the 163 States with safeguards agreements, only 88 now have additional protocols in force - not much more than half. It is also disconcerting that 30 States party to the Nuclear Non-Proliferation Treaty have not even brought into force their required comprehensive safeguards agreements with the Agency. As I have said repeatedly, without safeguards agreements, the Agency cannot provide any assurance about a State´s nuclear activities, and without additional protocols, we cannot provide credible assurances regarding the absence of undeclared nuclear material and activities.

On the technology side, to take just one example, we remain uncomfortably dependent in our verification work on satellite imagery and environmental sampling analysis provided by Member States. We clearly need a minimum independent capability to ensure our credibility.

Implementation of Safeguards in the Democratic People´s Republic of Korea

Earlier this month, the authorities of the Democratic People´s Republic of Korea (DPRK) briefly withheld access to the Yongbyon nuclear facilities from our inspectors, who had been monitoring and verifying the shutdown of the facilities. Access was subsequently restored following an agreement between the U.S. and the DPRK on a Verification Protocol.

I naturally still hope that conditions can be created for the DPRK to return to the NPT soon and for the resumption by the Agency of comprehensive safeguards.

Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran

Six years have elapsed since the Agency began working to clarify Iran´s nuclear programme. Substantial progress has been made under a work plan agreed with Iran to clarify outstanding issues, including the nature of Iran´s enrichment activities. The Agency has been able to continue to verify the non-diversion of declared nuclear material in Iran.

However, I regret that we are still not in a position to achieve full clarity regarding the absence of undeclared nuclear material and activities in Iran. This is because the Agency has not been able to make substantive progress on the so-called alleged studies and associated questions relevant to possible military dimensions to Iran´s nuclear programme.

I reiterate that the Agency does not in any way seek to "pry" into Iran´s conventional or missile-related military activities. Our focus is clearly on nuclear material and activities. I am confident that arrangements can be developed which enable the Agency to clarify the remaining issues while ensuring that Iran´s legitimate right to protect the confidentiality of sensitive information and activities is respected. I therefore urge Iran to implement all the transparency measures required to build confidence in the exclusively peaceful nature of its nuclear programme at an early date. This will be good for Iran, good for the Middle East region and good for the world.

Report of Commission of Eminent Persons

I have often expressed concern that the Agency lacks sufficient legal authority and adequate resources to do its job properly. Last year, I appointed an independent Commission of Eminent Persons to examine our work and make recommendations for the future of the Agency up to 2020 and beyond. The Commission, chaired by the former President of Mexico, Ernesto Zedillo, produced its report earlier this year. Its recommendations make compelling reading. I will highlight a few of them.

First, the Commission says the Agency, working with supplier and donor States, should help "newcomer" States to put in place the necessary infrastructure to launch nuclear energy programmes safely, securely and peacefully. The Agency should also give high priority to establishing multilateral fuel cycle arrangements, covering everything from assurance of supply of nuclear fuel to waste disposal.

Second, the Commission says our technical cooperation programme, focusing on using nuclear applications in food and agriculture, human health and natural resources, needs to be expanded significantly. Technical cooperation funds continue to lag well behind the pressing needs of developing countries.

Third, in order to help address the threat of nuclear terrorism, the Commission urges Member States to negotiate binding agreements - not voluntary, as at present - to set effective global nuclear security standards and to give the Agency the resources and authority to help ensure they are implemented.

A fourth key proposal is that the Agency should lead an international effort to establish a global nuclear safety network, also based on binding agreements. Countries should submit to mandatory international nuclear safety peer reviews.

Fifth, the Agency´s safeguards activities should be strengthened. That means better tools, more human and financial resources, as well as more legal authority.

On safeguards, I should note that nuclear disarmament, the core of the Non-Proliferation Treaty, has been on the back burner for far too long. As the Commission says, "States must recommit to the vision of a world free of nuclear weapons." The Commission notes that the IAEA is not the lead Agency for nuclear disarmament. But it rightly points out that: "Progress towards disarmament, or the lack of it, will deeply affect the success of the IAEA´s non-proliferation mission."

Conclusion

The sums of money proposed by the Commission of Eminent Persons for measures to enhance the Agency´s effectiveness are modest. But this is not just about money. The Agency does not work in a vacuum. Political commitment to the goals of the Agency needs to be renewed at the highest level to encourage the transfer of nuclear technology to the developing world, to enhance safety and security, to strengthen non-proliferation and to accelerate the process of nuclear disarmament.

The problems facing the world in the nuclear arena are plain for all of us to see. The Agency can do much to address them, if given the authority, technology and resources. Much more than the future of the Agency is at stake. We are talking about international development and security, and ultimately about the sort of world we want to leave to our children.

6. Selected Web Sites.

- **International Atomic Energy Agency**
  http://www.iaea.org/

The IAEA is the world´s center of cooperation in the nuclear field. It was set up as the world´s "Atoms for Peace" organization in 1957 within the United Nations family. The Agency works with its Member States and multiple partners worldwide to promote safe, secure and peaceful nuclear technologies.

- **United States Mission to International Organizations in Vienna**
  http://vienna.usmission.gov/index.html

The United States Mission to International Organizations in Vienna (UNVIE) works with seven major organizations of the United Nations system based in Vienna: International Atomic Energy Agency (IAEA); UN Office on Drugs and Crime (UNODC); Preparatory Commission of the Comprehensive Test Ban Treaty Organization (CTBTO); UN Office of Outer Space Affairs (OOSA); Wassenaar Arrangement (WA); UN Commission on International Trade Law (UNCITRAL); and UN Industrial Development Organization (UNIDO, of which the U.S. is not a member). UNVIE also covers the International Institute for Applied Systems Analysis (IIASA) in Luxemburg.

- **Department of State. Bureau of International Security and Nonproliferation (ISN)**

http://www.state.gov/t/isn/index.htm

Principal Deputy Assistant Secretary Patricia A. McNerney heads the Bureau of International Security and Nonproliferation. ISN leads the U.S. effort to prevent the spread of nuclear, chemical, and biological weapons, their related materials, and their delivery systems.

The Information Resource Center

Embassy of the United States of America

http://www.embusa.es/irc

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